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Chief Executive Officer

County of Los Angeles
CHIEF EXECUTIVE OFFICE

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"To Enrich Lives Through Effective And Caring Service"

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July 09, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

26 July 9, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**DEPARTMENT OF PUBLIC WORKS:
HARBOR-UCLA MEDICAL CENTER
SURGERY/EMERGENCY REPLACEMENT PROJECT
APPROVE EXECUTION OF VARIOUS CHANGE ORDERS AND
A SUPPLEMENTAL AGREEMENT
SPECS. 5110; CAPITAL PROJECT NO. 69220
(SECOND DISTRICT)
(4 VOTES)**

SUBJECT

The recommended actions will approve and authorize the Director of Public Works, or her designee, to execute various construction change orders with Hensel Phelps Construction Co., and a supplemental agreement with gkkworks, Inc., for the Harbor-UCLA Medical Center Surgery/Emergency Replacement Project.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve and authorize the Director of Public Works, or her designee, to execute a change order increasing the amount of the previously approved change order with Hensel Phelps Construction Co., for modification of the stairwell vestibules, from \$480,000 to \$1,490,000.
2. Approve and authorize the Director of Public Works, or her designee, to execute a change order increasing the amount of the previously approved change order with Hensel Phelps Construction Co., for modifications required to accommodate the two fixed Computed Tomography scanners, from \$245,000 to \$1,809,000.
3. Approve and authorize the Director of Public Works, or her designee, to execute a change order

increasing the amount of the previously approved change order with Hensel Phelps Construction Co., to provide vents for utensil sterilizers in the new Central Sterile Department, from \$325,000 to \$1,900,000.

4. Approve and authorize the Director of Public Works, or her designee, to finalize and execute a change order with Hensel Phelps Construction Co., in an amount up to \$490,000 to design and construct structural footings for diesel particulate filters.

5. Approve and authorize the Director of Public Works, or her designee, to finalize and execute a change order with Hensel Phelps Construction Co., in an amount up to \$1,350,000 to provide an uninterruptable power supply for the overhead endovascular unit in Operating Room 1.

6. Approve and authorize the Director of Public Works, or her designee, to finalize and execute a change order with Hensel Phelps Construction Co., in an amount up to \$918,000 for the added steel and deck supports for utility anchorage and bracing.

7. Approve and authorize the Director of Public Works, or her designee, to finalize and execute a change order with Hensel Phelps Construction Co., in an amount up to \$1,600,000 for revisions to the mounting, supports, and infrastructure for the medical equipment booms and nurse documentation stations in the operating and trauma rooms.

8. Approve and authorize the Director of Public Works, or her designee, to execute Supplemental Agreement 3 to Contract PW-12985 with gkkworks, Inc., to provide additional construction management services for the Harbor-UCLA Medical Center Surgery/Emergency Replacement Project, increasing the maximum not-to-exceed contract by \$361,000, from \$26,073,300 to \$26,434,300.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

This is a request to approve seven construction change orders with Hensel Phelps Construction Co. (Hensel Phelps), and a supplemental agreement with gkkworks, Inc. (gkkworks), as part of the closeout of the Harbor-UCLA Medical Center (H-UCLA) Surgery/Emergency (S/E) Replacement Project. The Project is approximately 95 percent complete and will be substantially completed within the Board-approved Project budget by July 24, 2013. Four of the recommended change orders reflect changes in scope that were previously approved by the Board. Additional structural modifications are now required, however, as a result of jurisdictional review, or to accommodate final equipment decisions that differed from the original design. The remaining change orders are new and reflect necessary alterations in design.

Recommendation 1 – Elevator Tower Stair Vestibules: On October 16, 2012, the Board approved a change order with Hensel Phelps in the amount of \$480,000 to provide a fire-rated exit shaft and elevator stair vestibules required by the Office of Statewide Health Planning and Development (OSHDP).

Subsequent to that approval, OSHPD requested additional requirements that increased the cost of this work by approximately \$1,010,000. Included in the jurisdictional requirements are a new seismic expansion joint design between the new elevator tower and the existing inpatient tower on the 1st Floor, pressurization of the entire elevator tower, additional fireproofing and fire stopping, and higher fire-rated doors at all floor levels. The new seismic expansion joint design required on all four sides of the opening at the 1st Floor contributed significantly to the cost increase. Additionally, OSHPD

required a significant upgrade of the fire-rated doors from the originally designed doors at all levels. Additional ductwork, electrical work, low-voltage work, and an air-handler were required to provide positive pressure in the elevator tower to prevent smoke intrusion. The final cost of this change has been negotiated with Hensel Phelps for a \$1,490,000 not-to-exceed amount.

Recommendation 2 – Infrastructure Changes for Installation of the fixed Computed Tomography (CT) Scanners: On October 16, 2012, the Board approved a change order with Hensel Phelps in the amount of \$245,000 for infrastructure modifications required for the CT scanners, including one 160-slice nonupgradeable Toshiba unit and one 80-slice nonupgradeable Toshiba unit.

In December 2012, Toshiba offered to provide one 320-slice unit and one 80-slice unit that is upgradeable to a 160-slice unit, and offered these two higher capacity units for \$25,333 less than the costs of the specified units. The Department of Health Services (Health Services) recommended the product changes, and the Chief Executive Office (CEO) concurred, because these changes will significantly enhance patient outcomes due to the speed and precision of the units and the offer of greater technology flexibility in the future. As the design progressed, it was determined that the configuration of the upgraded CT scanner beds required further modifications, such as additional structural supports since these units would be heavier, additional humidifiers and radiation shielding, as well as significantly more cooling and electrical power. These enhancements to the CT scanner rooms will not only improve patient through-put with this upgraded equipment, but will also provide greater flexibility for the future use of the trauma center. The final cost of this change has been negotiated with Hensel Phelps for a \$1,809,000 not-to-exceed amount.

Recommendation 3 – Infrastructure and Utility Changes in Central Sterile Department: On October 16, 2012, the Board approved a change order with Hensel Phelps in the amount of \$325,000 for potential design, structural, and infrastructure modifications necessary for the installation of sterilizers, washer-disinfectors, and other related equipment in the Central Sterile Department. At the time, the equipment procurement process had yet to be completed, and the impact of any changes in the equipment selection on the building's infrastructure was unknown.

Ultimately, the selected vendor for the instrument sterilizers was a manufacturer whose equipment requires venting to the atmosphere. Venting these sterilizers will require construction of a noncorrosive duct shaft from the basement to the roof of the new building and providing condensate drains for each vent. This required modifications to the already constructed areas on all three floors of the building. The final cost of this change has been negotiated with Hensel Phelps for a \$1,900,000 not-to-exceed amount.

Recommendation 4 – Diesel Particulate Filters: On October 16, 2012, the Board approved and authorized execution of a change order with Hensel Phelps in the amount of \$710,000 for design, jurisdictional review and approval, and fabrication and installation of the enhanced emission control systems as required by the South Coast Air Quality Management District for two new emergency generators.

This change order is to address newly discovered unforeseen soil conditions found during the construction of the structural supports for the two diesel particulate filters for the two new emergency generators, which required excavation of the unsuitable soil and replacing it with concrete slurry. It was also necessary to enlarge the existing openings in the masonry wall of the generator building to accommodate the new generators' exhaust piping, and to remove and replace an existing auxiliary fuel tank to allow installation of the structural supports. The final cost of this change has been negotiated with Hensel Phelps for a \$490,000 not-to-exceed amount.

Recommendation 5 – Operating Room 1: During the evaluation of bids for the overhead endovascular fluoroscopy unit for Operating Room 1, an uninterruptable power supply battery was requested by surgical staff to ensure continuous electrical power during surgical procedures for patient safety. This is an optional enhancement to the endovascular unit that had not originally been requested by Health Services; however, it was recommended by Health Services to enhance patient safety during heart procedures and the CEO concurred. To properly support the fluoroscope in Operating Room 1, the new design requires the room on the 1st Floor to be reconstructed into two smaller rooms and the electrical power to be routed through the 1st Floor ceiling to the fluoroscopy unit. The final cost of this change has been negotiated with Hensel Phelps for a \$1,350,000 not-to-exceed amount.

Recommendation 6 – Additional Deck Steel: During design of the mechanical, electrical, and plumbing systems for the project, it was determined that both the roof deck and 2nd Floor deck would require redesign and reinforcement to accommodate the weight of the mechanical, electrical, and plumbing systems. To minimize cost and schedule impacts, the design-builder rerouted utility lines and distributed the structural loads whenever possible to avoid the need to strengthen the deck. Only where no other solutions were available was the deck reinforced, and the cost of the strengthening is included in this change order because it is considered a deficiency in the scoping documents. The final cost of this change has been negotiated with Hensel Phelps for a \$918,000 not-to-exceed amount.

Recommendation 7 – Revisions to Mounting, Supports, and Infrastructure for Medical Equipment Booms and Nurse Documentation Stations: The H-UCLA S/E Replacement Project, with 16 integrated operating rooms and 7 trauma rooms, requires 73 medical equipment booms. The design and construction of the structural and infrastructure support for these booms was done prior to completion of a procurement process, and was based on the requirements of one of the leading manufacturers of medical equipment booms.

The specifications of the successful bidder's equipment booms varied significantly from the assumed design and required substantial modifications, including relocation of secondary structural ceiling supports, rerouting, supporting and fitting medical gas tubing and electrical conduits, relocation of power outlets and data ports, and drywall removal and replacement. The final cost of this change has been negotiated with Hensel Phelps for a \$1,600,000 not-to-exceed amount.

Recommendation 8 – Supplemental Agreement 3 with gkkworks: On December 20, 2005, the Board approved the award of Contract PW-12985 with gkkworks for a \$13,300,000 not-to-exceed amount. The Board's approval of Supplemental Agreement 1 on September 8, 2009, increased gkkworks' total contract amount by \$11,038,000 to a \$24,338,000 not-to-exceed amount to support design-build services for the Project. The Board's approval of Supplemental Agreement 2 on September 18, 2012, increased gkkworks' total contract amount by \$1,735,300 to a \$26,073,300 not-to-exceed amount to provide equipment procurement planning and coordination services for the Project. We are recommending the Board's approval of Supplemental Agreement 3 for a \$361,000 not-to-exceed amount to assure continued construction management services during the Project closeout period subsequent to substantial completion. The Project remains on schedule for substantial completion by July 24, 2013, consistent with the schedule approved by the Board in 2009. The amount of the previous supplement was based on the expectation that the design-builder would complete the Project early as was forecasted at that time.

Approval of Supplemental Agreement 3 will increase the gkkworks' agreement to a total \$26,434,300 not-to-exceed amount from \$26,073,300, but will have no impact on the overall Project budget.

Green Building/Sustainable Design Program

The H-UCLA S/E Replacement Project was established and permitted by OSHPD prior to the Board's enactment of the policy for Green Building/Sustainable Design Program; therefore, the Project does not require Leadership in Energy and Environmental Design certification for the new building. However, the Project will support the Board's Policy for Green Building/ Sustainable Design Program to the extent feasible by using building materials that are composed of recycled materials; strategically designing mechanical, plumbing, and electrical systems to optimize energy efficiency; construction of a solar power system on the parking structure; reducing the amount of demolition materials that would be disposed in landfills; and constructing interior spaces to provide indoor environmental quality and a healthy work environment for staff and public members.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1) by investing in public health infrastructure and improving access to surgery and emergency services in the southern and western areas of the County. Completion of this Project will provide much needed improvements to the facility for the residents of the County.

FISCAL IMPACT/FINANCING

Approval of the recommended actions will not affect the overall Project budget approved by the Board on September 8, 2009.

The total Project cost remains at \$322,600,000. The recommended amended change orders will be funded from the Project's change order contingency. The Project Schedule and Budget Summary are included in the Attachment.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Section 20137 of the Public Contract Code allows the Board, with a four-fifths vote, to authorize a change order to a construction contract that is 10 percent or less of the original contract amount without having to obtain bids for the work. The total value of the recommended change orders is well below the 10 percent threshold.

ENVIRONMENTAL DOCUMENTATION

On April 11, 2006, the Board adopted a Mitigated Negative Declaration (MND) for the H-UCLA S/E Replacement Project and an Addendum to the MND on April 13, 2010. The recommended actions are within the scope of the previously adopted MND and the Addendum to the MND, and will have no impact on the environment.

CONTRACTING PROCESS

On September 8, 2009, the Board awarded a design-build contract to Hensel Phelps for a total amount of \$170,857,000. To date, the Project is approximately 95 percent complete, and the County has executed 226 construction change orders bringing the total contract amount to \$177,750,140. This increase will not impact the overall Project budget approved by the Board.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

No impact on current services.

CONCLUSION

Please return one adopted copy of this Board letter to the Chief Executive Office, Facilities and Asset Management Division; Department of Health Services, Capital Projects Division; and the Department of Public Works, Project Management Division I.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "W. Fujioka", followed by a small "for" written below it.

WILLIAM T FUJIOKA

Chief Executive Officer

WTF: RLR:DJT

SW:TH:zu

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Health Services
Public Works

**DEPARTMENT OF PUBLIC WORKS:
HARBOR-UCLA MEDICAL CENTER
SURGERY/EMERGENCY REPLACEMENT PROJECT
APPROVE EXECUTION OF VARIOUS CHANGE ORDERS AND
A SUPPLEMENTAL AGREEMENT
SPECS. 5110; CAPITAL PROJECT NO. 69220**

I. PROJECT SCHEDULE

Project Activity	Board-Approved Schedule Completion Date
Environment Documents	04/11/06*
<u>Make-Ready</u>	
Jurisdictional Approval	06/12/06*
Construction Award	10/18/06*
Construction Start	10/19/06*
Substantial Completion	12/31/09
<u>Surgery/Emergency Building</u>	
Contract Award	09/08/09*
Jurisdictional Approvals	12/26/11*
Construction Start	11/24/09*
Substantial Completion	07/24/13

*Indicates actual date.

II. PROJECT BUDGET SUMMARY

Project Activity	Approved Project Budget
Land Acquisition	\$ 0
Construction	
Low Bid Construction Contract	\$ 2,321,654
Design-Build Contract	
(a) S/E Building and Site	161,140,000
(b) Option for Parking Structure	9,717,000
Job Order Contract	16,852,000
Purchase Order Contract	3,500,000
Southern California Edison Contract	285,000
Change Orders	18,320,346
Department Crafts	0
Youth Employment	0
Construction Consultants	0
Misc. Expense	
Design-Build Stipends	250,000
Side Plate License	107,000
Builder's Risk Insurance	2,000,000
Other	93,000
Telecomm Equip—Affixed to Building	2,100,000
Medical Equipment	31,026,700
Project Contingency	5,634,000
Civic Arts	0
Subtotal	\$253,346,700
Programming/Development	\$ 0
Plans and Specs	\$ 9,553,650
Consultant Services	
Site Planning	\$ 0
Hazardous Materials	490,000
Geotech/Soils Report & Soils Testing	1,006,000
Material Testing	3,960,000
Cost Estimating	560,845
Topographic Surveys	190,000
Construction Mgmt	20,139,834
Equipment Procurement Services	1,735,300
Peer Review	1,801,074
Design Management	1,012,981
Environmental	600,000
Move Management	267,000
Equipment Planning	975,000
Legal	1,682,000
Construction/Change Order	
Other: Document Management	2,926,000
Other: Commissioning	823,266
Subtotal	\$ 38,169,300

II. PROJECT BUDGET SUMMARY (Cont.)

Miscellaneous Expenditures	\$ 262,000
Jurisdictional Review/Plan Ck/Permit	\$ 3,970,000
County Services	
Code Compliance Inspection	\$ 3,305,175
Quality Control Inspection	2,857,525
Design Review	150,000
Design Services	100,000
Contract Administration	554,015
Project Management	7,169,958
Project Management Support Services	509,000
ISD Job Order Contract Management	402,000
DPW Job Order Contract Mgmt	673,000
ISD ITS Communications	500,000
Project Security	0
Project Technical Support	581,268
ISD Countywide Compliance Section	346,409
County Counsel	0
Regional Planning	15,000
Other: DPW Materials & Testing	10,000
Other: DPW Land Development	50,000
Other: DPW Traffic & Lighting	45,000
Other: DPW Design Division	10,000
Other: DPW Construction Division	10,000
Other: DPW Flood Maint. Division	10,000
Subtotal	\$ 17,298,350
TOTAL	\$322,600,000